



energy fuels nuclear, inc.

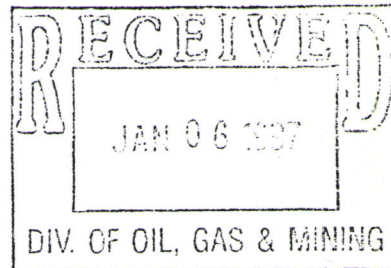
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M/037/046

January 3, 1997

Mr. Anthony A. Gallegos
Senior Reclamation Specialist
Utah Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114



Dear Mr. Gallegos:

Attached are Transfer and contract forms for the Pandora, Redd Block IV and the Hecla Shaft. As we discussed today, I have taken your spread sheets and projected the escalated bond amounts for these properties into 2002 dollars. You will also find copies of 1992 aerial photos: (1) an East to West flight line covering from the East Pandora to the Hecla Shaft and (2) a single photo of the Rim & Columbus Mine. There is also a map of the Hecla property. These should assist in your evaluation and help you during your visit of next week.

Look them over and see if there is a way that these can be handled with a letter describing the deal. I understand that the board agenda is quite full, but if these three can be included it would be appreciated, as it would assist in closing. As we discussed, I am willing to meet you so that you can tour the sights next week and could also be available to go to Salt Lake City if you find it necessary.

Thank you for your assistance in expediting this matter. Please let me know if there is any thing else you need to get these on the January board agenda.

Sincerely,

Richard A. Van Horn
General Manager-Plateau Operations

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enclosures

CALCULATION OF ESCALATED BOND AMOUNTS

Based on Utah DOGM Reclamation estimates and Indices

YEAR	ESCALATION RATE	RIM M/037/006	LASAL M/037/026	REDD IV M/037/046	HECLA M/037/043	PANDORA M/037/012
1982		0	0	0	0	0
1983	0.0104	0	0	0	117,800	0
1984	0.0092	0	0	5,089	118,884	0
1985	0.0290	0	0	5,237	122,331	0
1986	0.0210	0	0	5,347	124,900	0
1987	0.0195	0	0	5,451	127,336	0
1988	0.0181	32,200	0	5,549	129,641	0
1989	0.0177	32,770	123,310	5,648	131,935	59,480
1990	0.0077	33,022	124,259	5,691	132,951	59,938
1991	0.0127	33,442	125,838	5,763	134,640	60,699
1992	0.0221	34,181	128,619	5,891	137,615	62,041
1993	0.0261	35,073	131,976	6,045	141,207	63,660
1994	0.0321	36,199	136,212	6,239	145,740	65,703
1995	0.0193	36,897	138,841	6,359	148,553	66,971
1996	0.0258	37,849	142,423	6,523	152,385	68,699
1997	0.0258	38,826	146,097	6,691	156,317	70,472
1998	0.0258	39,827	149,867	6,864	160,350	72,290
1999	0.0258	40,855	153,733	7,041	164,487	74,155
2000	0.0258	41,909	157,700	7,223	168,730	76,068
2001	0.0258	42,990	161,768	7,409	173,084	78,031
2002	0.0258	44,099	165,942	7,600	177,549	80,044
ROUNDED AMOUNT		44,100	165,900	7,600	177,500	80,000
TOTAL TRANSFERRED FROM UMETCO			210,000			
TOTAL TRANSFERRED FROM EFN						265,100
TOTAL UTAH BONDS ASSUMED						475,100

